



STATE OF CONNECTICUT
Office of Financial and Academic Affairs
For Higher Education

Testimony
by
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Executive Director
before the
Higher Education and Employment Advancement Committee
1:00 p.m. – LOB Room 1E
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Senator Bye, Representative Willis and distinguished members of the Higher Education and Employment Advancement committee, thank you for the opportunity to offer testimony in support of HB 5449 AN ACT CONCERNING PERFORMANCE-BASED FINANCIAL AID. HB 5449 instructs the Office of Financial and Academic Affairs for Higher Education to develop a plan for implementing performance-based financial aid programs with periodic disbursements of aid based on some assessment of academic performance.

A few weeks ago, I told you that the Capitol Scholarship was a natural for additional performance-based elements because it already has an academic screen as well as a screen for financial need. In addition, disbursements are made twice a year on behalf of students who maintain satisfactory academic performance. Recipients may take the award to any Connecticut institution of higher education or to an institution of higher education located in one of six states which have reciprocal agreements with Connecticut. Fully 70% of funding goes to students attending in-state public institutions, 34% goes to in-state private institutions and 6% goes out-of-state. The heavy participation at in-state public institutions attests to the high level of need of these students and the relative affordability of the public schools.

Following is a table of the characteristics of financial aid programs in the reciprocal states for comparison.

STATE	Perform-based Program	Individual Student Data from Indep. Schools	Indep. Instit. Approval Authority	CICSG-Like Program	Comments
District of Columbia	No	Yes	No	Yes	Centralized awards by student, but public and private schools determine student need. Up to \$10,000 per year to any type of institution
Maine	No	No	No	No	Centralized award process by student: \$500 for publics; \$1,000 for privates
Massachusetts	No	Yes	Yes	No	Centralized award process by student: \$300 per year for any type of institution
New Hampshire	No	No	No	No	Effective 2011-12 no longer offering financial aid.
Pennsylvania	No	Yes	Yes	Yes	Centralized award process by student: \$600 per year to any type of institution. Independent institutions receive additional funds that can be used as block grants instead of direct student aid.
Rhode Island	Yes	No	No	No	Centralized award process by student. \$700 per year to any type of institution.
Vermont	No	No	No	No	Centralized award process by student. Up to \$7,850 to any type of institution.

Over the years, this program has been a mainstay for Connecticut's brightest and neediest students. Sixty percent of awards and 70% of dollars go to students with a family income less than \$60,000. In addition, an average 85% of first-year recipients stay in school for the four years of eligibility and 48% of grants go to students from priority districts (see attachment).

When this bill came out, we launched a brief survey to try to get an idea, for today's hearing, of what other states are doing in the realm of performance-based awards. We have heard from 11 states, of which nine have some form of performance-based program. These states are: Arkansas, Delaware, Kentucky, Maryland, Minnesota, Montana, North Carolina, Rhode Island and Tennessee. Of these nine state programs, five are merit only with no need component. Also, eight of the nine states base renewal on the year-end GPA, while one state, Rhode Island, uses a semester by semester GPA.

For the plan itself, we will use a much more extensive survey and pursue the relative merits of various academic and financial thresholds as well as renewal by semester or year-end and possible

renewal thresholds. Connecticut, for instance, currently requires satisfactory academic standing, but leaves that determination to the individual schools. Most schools use the Federal definition for need-based programs, which is a GPA of 2.0 for all grade levels. It is likely that a higher GPA should be pursued for a performance-based program. This is but one example of why the development of a plan for performance-based grants is a welcome opportunity to improve the targeting of state-funded student financial aid to better measure outcomes.

Capitol and CICSG Scholarship Awards to Students from Priority Districts

Priority District	Number of Capitol Recipients 2011-12*	Number of Capitol Recipients 2010-11	Number of CICSG Recipients 2010-11	Number of CAPCS Recipients 2010-11
Ansonia	21	30	36	
Bloomfield	37	53	58	N
Bridgeport	235	348	281	O
Danbury	49	55	33	
Derby	9	10	23	D
East Hartford	74	101	121	A
East Haven	68	88	95	T
East Windsor	6	12	4	A
Hamden	63	84	56	
Hampton	4	5	0	A
Hartford	172	252	226	V
Killingly	24	44	10	A
Manchester	79	114	109	I
Meriden	100	154	94	L
Middletown	26	47	71	A
New Britain	98	140	92	B
New Haven	124	176	205	L
New London	20	31	44	E
Norwalk	40	49	85	
Norwich	34	50	20	
Plainfield	31	39	2	
Putnam	21	31	4	
Stamford	24	34	70	
Vernon	16	29	52	
Waterbury	198	290	115	
West Haven	83	121	111	
Winchester	12	21	0	
Windham	19	26	11	
Windsor	37	61	59	
Priority Town Totals	1724	2495	2087	
Total Program Recipients	3378	5194	6452	
% of Recipients from Priority District Towns	51%	48%	32%	

*Despite reduced funding and awards to only 3 classes in 2012, the percentage of awards to students from priority districts increased, indicating high retention. More than 1,800 eligible students lost awards in 2012.